

**MINUTES OF A MEETING OF
THE LEMON GROVE CITY COUNCIL, LEMON GROVE HOUSING AUTHORITY, LEMON
GROVE SANITATION DISTRICT BOARD, LEMON GROVE ROADWAY LIGHTING DISTRICT
BOARD, AND LEMON GROVE SUCCESSOR AGENCY
January 20, 2015**

Call to Order

Members present: Mary Sessom, George Gastil, Jerry Jones, Jennifer Mendoza, and Racquel Vasquez.
Members absent: None.

City Staff present: Graham Mitchell, City Manager; Lt. Brock, Sheriff's Department; Carol Dick, Development Services Director; Daryn Drum, Division Fire Chief; Leon Firsht, City Engineer; Susan Garcia, City Clerk; James P. Lough, City Attorney; and Cathleen Till, Finance Director.

Changes to the Agenda

Mayor Sessom noted that item No. 3 will be moved to be discussed first on the agenda.

3. Draft Fiscal Year 2014-2015 Mid-Year Budgets

Cathy Till stated that on June 3, 2014, the City Council adopted the Fiscal Year 2014-15 (FY 2014-15) General Fund Budget. The budget relied on estimated revenues and expenditures for FY 2013-14 and projected revenues and expenditures for FY 2014-15. Since the budget was adopted, the revenues and expenditures for FY 2013-14 have been finalized. Staff recommends that the City Council consider modifications to the FY 2013-14 and FY 2014-15 budgets as part of the mid-year budget adoptions.

Staff recommends that General Fund revenue/transfers for FY 2013-14 be increased by \$343,700 and that the expenditures be reduced by \$117,800 to reflect year-end actuals. These changes are due to bumps in sales tax, development fees, franchise fees and transfers from other funds. Staff also recommends decreases in expenditures to the Fire Department, Public Works Department, and Development Services Department. The net results of these changes is a combined General Fund/General Reserve Fund balance of \$3,430,000—an increase of \$432,900.

For FY 2014-15, staff recommends increasing the projected General Fund revenue by \$320,300 and transfers from other funds by \$16,700. Staff believes that the following revenue increases will occur during FY 2014-15 over what is shown in the adopted budget:

Sales tax +\$100,000

Property tax (City's share of former redevelopment tax increment) +\$91,000

Development fees +\$54,000

Franchise fees +\$49,500

Rents and leases +\$25,000

Staff also recommends several changes to FY 2014-15 General Fund and General Reserve expenditures:

Capital Improvements to Facilities (\$260,000) – on September 2, 2014 the City Council recommended that General Reserve funds be used for capital improvements to the Senior Center (\$115,000), the Sheriff's Station (\$95,000), and City Hall (\$50,000).

Fire Department overtime (\$167,000) – the Department has experienced several long-term medical leaves which have increased the cost of overtime. Partially offsetting the overtime cost is a slight reduction in personnel costs due to two retirements. Overall, staff recommends increasing the Fire Department budget by \$43,400.

Full-Time Administrative Analyst (\$30,600) – staff recommends that the mid-year budget reflect the hiring of a full-time Administrative Analyst that will primarily work in the City Manager's Office (in part, replacing two Management Analysts whose positions were eliminated during the recession). The new position will assist the HR Analyst with upcoming compliance issues related to the Affordable Care Act and new State legislation related to sick leave policies, and with ongoing Fire Department recruitment responsibilities. The Administrative Analyst will assist the City Manager in maintaining an updated Economic Development website, engaging the public at community meetings, and other miscellaneous tasks. The position will also provide grant management oversight, assisting all of the departments. The past two years, the City's auditors have expressed concern that grant management is disjointed. This position will help resolve this audit issue.

Part-Time Receptionist (\$4,200) – staff recommends providing support to the front counter staff by hiring a part-time receptionist.

Public Works Department (\$26,900) – staff recommends increasing the Public Works budget by approximately 2.5 percent for anticipated increases among the five divisions of the department.

Election services (-\$12,000) – costs associated with the 2014 municipal election were less than anticipated.

Sick leave and vacation payout (\$16,300) – staff recommends increasing this line item to reflect the retirement of two Fire Department employees.

Ms. Till noted that staff has been in contact with PERS and other cities about strategies to pay down the City's unfunded pension liability and ways to cushion the impact of impending increases. In the past, the impacts of paying down the unfunded liability were unclear. PERS has now created clear guidelines for paying this down. PERS increases over the next five years will ensure that all unfunded liability will be paid off in 30 years. Cities have the option of joining a program to pay off the unfunded liability in 15 or 20 years. However, if a city joins this program, it is locked in for the duration of the term. Many cities are taking advantage of a new option of simply making additional payments annually—akin to paying off a mortgage earlier than its initial term. Incrementally, this will reduce a city's annual PERS contribution.

Mr. Mitchell stated that staff recommends establishing an independent "pension liability fund." This fund will help the City track early payments to PERS. Staff recommends relying on half of the unanticipated surplus from FY 2013-14 (approximately \$215,000) to make an additional payment to PERS. Staff also recommends creating a payroll deduction paid by the City to provide ongoing revenue to the fund. Staff recommends setting the rate at 2.5 percent, in FY 2015-16, generating approximately \$100,000 for the fund. Because staff projects a surplus in FY 2014-15, staff recommends establishing a 5 percent rate of salary, generating approximately \$75,000 this fiscal year.

The Lighting District's proposed mid-year FY 2014-15 budget has been updated with fund balances forward for the two Lighting District funds that totaling \$24,900 more than originally anticipated, due mainly to expenditures being less than expected.

The Sanitation District's beginning fund balances are \$491,600 more than budgeted, due to operating costs being under budget (\$655,400) and revenue being less than projected. The Sanitation District is financially sound and is able to maintain its mandated rate stabilization reserve and continue to rehabilitate the City's sewers.

Successor Agency expenditures decreased \$636,200 due to a change in accounting principal. The principal payments on the bonds are no longer included as expenditures; instead they are treated as a balance sheet item.

Public Speaker(s)

There were no requests from the public to speak.

Presentations

San Diego County Sheriff's Department Lt. Brock provided the Semi-Annual Law Enforcement Report and Traffic Sgt. McPhail provided a presentation of the DUI check points.

Public Comment

Mary Rynearson, Lions Club, reported that they are in the process of forming a club in Lemon Grove and spoke about the benefits a local club will provide.

John L. Wood commented on the Toyota dealership's tree trimming project and vehicles parked on City streets.

Brenda Hammond commented on the Martin Luther King Jr. celebration, her vehicle accident, and issues with citizens in the community.

1. Consent Calendar

A. Approval of City Council Minutes

January 6, 2015 Regular Meeting

B. Ratification of Payment Demands

C. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda

D. Denial of Claim

Action: Motion by Councilmember Gastil, seconded by Councilmember Jones, to approve the Consent Calendar passed, by the following vote:

Ayes: Sessom, Gastil, Jones, and Mendoza

Abstain: Vasquez

2. Public Safety Focus Group Priorities

Graham Mitchell reported at its December 16, 2014 meeting, the City Council received a report from the Public Safety Focus Group. Focus Group members presented several public safety challenges and seventeen strategies that were identified and developed through meetings. These challenges and strategies addressed the two focus areas developed by the City Council:

- 1) Provide strategies to address public safety and the perception of safety in the City's commercial corridors; and

- 2) Provide strategies to address the drain on public resources responding to group homes/sober living facilities.

On December 16th, the City Council asked the focus group to reconvene to prioritize the seventeen identified strategies. On January 5, 2015, the focus group met; this staff report provides a summary of the prioritization of the strategies.

In their assessment, focus group members scored the various strategies on “impact” and “cost.” Those strategies with a “high impact/low cost” combination moved to the top of the prioritization list for the most part. Strategies with “low impact” or “high costs” tended to move to the bottom of the list. During the prioritization process, some of the strategies were modified from what was originally presented and some strategies were combined.

The top priority addresses lack of community involvement in being part of public safety solutions. The focus group top priorities:

- Community Workshops (schools/senior center) – getting involved & reporting
- Contact owners of high volume properties
- Use nuisance abatement
- Crime Free Multi Housing
- “Commercial Crime Free” program
- Volunteer Cleaning Crew
- Info Kiosk at Promenade
- Use of security guards

Public Speaker(s)

Ivy Westmorland and Scott Robinson commented on their participation in the focus group and their decision making process.

After the discussion, the City Council gave staff direction to move forward with crime free housing.

4. Planning Commission Analysis

Graham Mitchell reported that at its October 21, 2014 meeting, the City Council directed staff to provide an analysis regarding the Lemon Grove Planning Commission. On November 4, 2014, staff presented an initial analysis to the City Council.

The City Council discussed the Planning Commission Responsibilities, Planning Commission Activity, Streamlining the Approval Process, Planning Commission Costs, Benefits and Drawbacks.

Public Speaker(s)

John L. Wood and Scott Robinson supported keeping the Planning Commission.

Motion by Mayor Sessom, seconded by Councilmember Jones, to begin the process of disbanding the Planning Commission failed by the following vote:

Ayes: Sessom, Jones

Abstain: Gastil
Noes: Mendoza, Vasquez

Action: Motion by Councilmember Gastil, seconded by Mayor Pro Tem Vasquez, to direct staff to obtain the opinions of former and present Planning Commissioners, along with former City Council Members and developers regarding possible restructuring of the of the Planning Commission and to bring the results to a future meeting passed, by the following vote:

Ayes: Gastil, Jones, Mendoza, Vasquez
Noes: Sessom

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d))

Councilmember Mendoza attended a recent League of California Cities luncheon and the New Mayor and Council Member Conference.

Councilmember Gastil attended the Lemon Grove Live Martin Luther King Jr. Choir celebration.

Mayor Pro Tem Vasquez attended a recent San Diego East County Development Council meeting, the Martin Luther King Jr. celebration event on the Midway Museum, and participated in the 35th Annual Martin Luther King Jr. parade.

Mayor Sessom attended SANDAG and Airport Authority meetings.

Adjournment

There being no further business to come before the City Council, Housing Authority, Sanitation District Board, Lemon Grove Roadway Lighting District Board, and the Lemon Grove Successor Agency the meeting was adjourned at 9:30 p.m.

Susan Garcia

Susan Garcia, City Clerk